
SUBMISSION TO THE 2024-25 ACT GOVERNMENT BUDGET PROCESS

ACT ALLIANCE FOR EVIDENCE-BASED EDUCATION
& EQUITY ECONOMICS
MARCH 2024



About us

ABOUT EQUITY ECONOMICS

Equity Economics is a unique economic and social policy consulting firm. We provide analysis, policy development, design and evaluation services to government, private sector, and non-government clients.

We combine technical economic skills with policy and design expertise, to help our clients contribute to a more inclusive, equitable society. Our work addresses the persistent challenge of social and economic disadvantage, through new and practical solutions.



ABOUT THE ACT ALLIANCE FOR EVIDENCE-BASED EDUCATION

The ACT Alliance for Evidence-based Education is a group of concerned teachers, academics, speech pathologists, researchers and parents who have come together to work with the ACT Government to improve the educational outcomes of students in ACT schools.



ACKNOWLEDGEMENT OF COUNTRY

Equity Economics acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Owners of Country throughout Australia and their continuing connection to both their land and seas. We also pay our respects to Elders – past, present, and emerging – and generations of Aboriginal and Torres Strait Islander peoples now and into the future.

CITE THIS REPORT AS

Equity Economics (2024),
Submission to the 2024-25 ACT
Government Budget Process

Key points

An investment of around \$92 million over four years is required for the ACT public education system to become a world leader in delivering evidence-based literacy and numeracy initiatives.

IMPROVING THE QUALITY AND EQUITY OF PUBLIC EDUCATION IN CANBERRA IS MORE CRUCIAL NOW THAN EVER BEFORE

Too many Year 9 students in the ACT lack the skills expected at that level. NAPLAN 2023 results show that in the ACT

- 29% of Year 9 students are not proficient in reading
- 38% are not proficient in writing
- 38% are not proficient in grammar and punctuation
- 25% are not proficient in spelling
- 31% are not proficient in numeracy.¹

The OECD's Progress for International Assessment (PISA) indicates there has been a significant decline in the ACT's performance over the past two decades in reading, math, and science.² Twenty points in PISA tests is roughly equivalent to one year of schooling. The latest PISA report for 2022 shows that the performance of students in the ACT has reduced over the last twenty years in

- mathematical literacy by 50 points (equivalent to 2.5 years of schooling)
- reading literacy by 35 points (equivalent to 1.75 years of schooling)
- scientific literacy by 26 points (equivalent to 1.3 years of schooling).

While a decline is evident across all jurisdictions, the ACT is one of three jurisdictions that have had the biggest falls in performance compared to all other states and territories.

This skills deficit and decline in educational outcomes poses serious implications for economic growth and for the future of Canberra's young people. There is a significant gap between the skills students possess and those required by a future job market in which low skilled jobs increasingly become obsolete because of automation and AI.

LIFTING LITERACY AND NUMERACY OUTCOMES: BUDGET PROPOSAL TO MAKE THE ACT EDUCATION SYSTEM A WORLD LEADER

To improve student literacy and numeracy outcomes an investment of around \$92 million over four years is required to strengthen evidence-based practices, roll-out high-quality curriculum materials, deliver professional development to teachers, with screening and progress monitoring to ensure all children are progressing and provide additional intervention to those students who are struggling. An investment on this scale would allow the ACT to become a world leader in delivering evidence-based literacy and numeracy initiatives.

¹ 2023 NAPLAN results, ACARA, analysis by Equity Economics of students in bottom two bands.

² PISA results are reported by ACER in mathematical literacy between PISA 2003 and 2022, for scientific literacy between PISA 2006 and 2022, for reading literacy between PISA 2000 and PISA 2022. ACER PISA in Brief 2022.

Other Australian jurisdictions have either already implemented or recently announced literacy reform measures such as:

- \$36 million over eight years by the South Australian Government for literacy guarantee coaches
- \$15 million over eight years by the South Australian Government for the Year 1 Phonics Screening Check
- \$35 million by the Government of Queensland to ensure state schools take a consistent statewide approach to teaching reading that reflects the latest research and has a strengthened approach to phonics
- \$4.3 million in decodable readers by the Government of New South Wales
- \$6.5 million for an initial response to the Tasmanian Literacy Advisory Panel with additional announcements expected
- \$36.7 million over nine years for the Kimberley Schools Project by the Western Australian Government
- \$900 million over three years for catch-up tutoring by the Government of New South Wales to stem learning loss arising from COVID.

The Government of Ontario has recently announced a significant literacy and numeracy reform investment package of \$257 million in response to a finding by the Ontario Human Rights Commission that the Government of Ontario had breached the human rights of students in Ontario by failing to teach many students to read. Reforms announced to date include:

- \$65 million to support students in the development of early reading skills
- \$12.5 million to procure licenses for an evidence-based early reading screening tool for use in K-2
- \$180 million in targeted supports to help students build the math and reading skills and knowledge they need to succeed in the workforce.

SOURCES OF FUNDING

The Commonwealth is currently negotiating bilateral agreements with state and territory governments for school funding. There have been calls for the Australian Government to increase its share of funding for public schools from 20% of the Schooling Resource Standard in 2023 to 25% in 2028. The Parliamentary Budget Office has modelled this for all states and territories and estimates this would increase funding for ACT public schools by \$434.3 million over 10 years.³

In addition, offsets may be available to the ACT Education Directorate through the reallocation of existing funding for assessment, curriculum resources and professional development.

³ <https://www.pbo.gov.au/sites/default/files/2023-07/Fully%20funding%20Public%20Schools.pdf>

BUILDING A MULTI-TIERED SYSTEM OF SUPPORTS (MTSS)

An investment package of this nature would allow the ACT to implement recommendations outlined in recent national reports including the National School Reform Agreement (NSRA) Expert Panel Report, the Grattan Institute Report on a Reading Guarantee, and Equity Economics reports.⁴

These reports recommend that schools systems should implement a multi-tiered system of support (MTSS) to ensure all students are progressing and to identify and assist those students who require additional support. MTSS is a preventative framework that integrates data and instruction to maximise student achievement and support students' social, emotional and behaviour needs.⁵ MTSS offers a framework for educators to engage in data-based decision making related to program improvement, high-quality instruction, and intervention.

The MTSS framework includes four components:

1. **screening** - conducted three times a year to identify students who may be at risk for poor outcomes who need additional support
2. **progress monitoring** - using valid and reliable tools and processes to assess performance, and evaluate the effectiveness of instruction and intervention
3. **multi-level prevention system** - with a continuum of instruction starting with the whole class (tier 1) to additional small group instruction for around 20% of students (tier 2) to additional one-on-one intervention for around 5% of students (tier 3)
4. **data-based decision making** - to make decisions about instruction, movement within the multi-level prevention system, intensification, allocation of resources and disability identification.

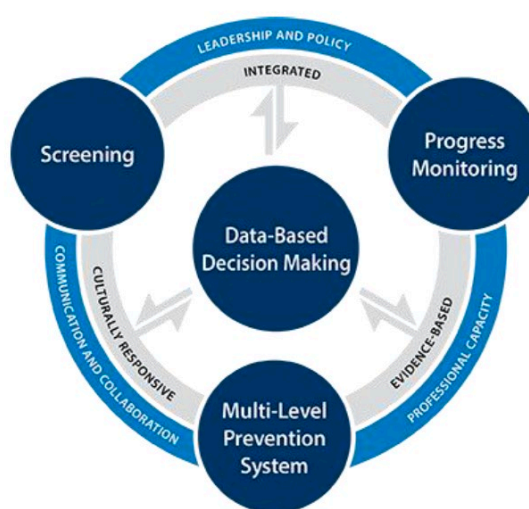


Image retrieved from the American Institutes for Research, 2024

These components are supported by strong leadership and clear policy, building the professional capacity of educators, with culturally responsive communication and collaboration.

⁴ Review to inform better and fairer education system (National School Reform Agreement Expert Panel), The Reading Guarantee (Grattan Institute), Raising the grade, How schools in the ACT can lift literacy outcomes for students and the economy (Equity Economics), Saving money by spending: solving illiteracy in Australia (Equity Economics)

⁵ Centre on Multi-Tiered System of Supports - <https://mtss4success.org/essential-components>

SUMMARY OF LITERACY AND NUMERACY BUDGET PROPOSALS

Budget proposals	2024-25 (\$m)	2025-26 (\$m)	2026-27 (\$m)	2028-29 (\$m)	Total over 4 years (\$m)
\$2.6 million over four years for curriculum materials to support K-2 teachers deliver early literacy acquisition skills	2.4	0.1	0.1	0.1	2.6
\$0.5 million in 2024-25 for decodable readers for beginner readers in K-1	0.5				0.5
\$7.1 million over four years for professional development/coaches in literacy acquisition for K-2 teachers and principals	1.7	1.7	1.8	1.8	7.1
\$2.5 million over four years for the Year 1 Phonics Check	0.9	0.7	0.5	0.4	2.5
\$2.5 million over four years for a numeracy check pilot and roll-out	0.4	0.9	0.7	0.5	2.5
\$28.5 million over four years for screening of all preschool-12 students	10.2	7.8	6.0	4.6	28.5
\$40.6 million over four years for literacy and numeracy small group tutoring for K-10 students	9.8	10.0	10.2	10.4	40.6
\$6.4 million over four years for a Change Management Office in the Education Directorate	1.6	1.6	1.6	1.7	6.4
\$1.1 million over four years for community outreach to support children and adults with specific learning difficulties	0.3	0.3	0.3	0.3	1.1
Total funding over four years	27.8	23.1	21.2	19.8	91.8

*Numbers may not add due to rounding

**Numbers are higher than the Equity Economics report, *Raising the Grade: How schools in the Australian Capital Territory can lift literacy outcomes for students and the economy* to allow for indexation, student enrolment projections, to allow an investment in numeracy (as well as literacy) and because costs are over four years instead of one year only.

*** Cost estimates are indicative only, based on publicly available information from the ACT and other jurisdictions.

**** Offsets may be available through the reallocation of existing funding.

EARLY LITERACY ACQUISITION CURRICULUM MATERIALS	24-25 (\$m)	25-26 (\$m)	26-27 (\$m)	28-29 (\$m)	Total
<p>Recommendation 1: Funding of \$2.6 million to support K-2 teachers and students with early literacy acquisition, including curriculum materials, and teaching training in use of the materials.</p> <p>In 2022, the Australian Curriculum introduced a significant change to the way in which students are taught to read. The Curriculum is clear that schools should cease using methods which prompt children to guess unknown words: an approach that is popular in Canberra schools and is a core part of initial teacher education at many Australian universities. The updated Curriculum now requires schools to teach students about letter sound relationships so that they can sound out words. An investment is required by the ACT in high quality curriculum materials for teachers and students in Kindergarten, Year 1 and Year 2 which covers the key skills required for reading: phonemic awareness; phonics; fluency; vocabulary; and comprehension - underpinned by strong oral language.</p> <p>Jurisdictions that have made or announced a similar investment include South Australia, New South Wales, Queensland, and Tasmania. This investment aligns with recommendations made by the NSRA Expert Panel, the Grattan Institute and Equity Economics.</p> <p>Costs are estimated based on similar resources deployed by the Catholic Education office for schools in Canberra and Goulburn. In 2019, Catholic and Government schools in the ACT were underperforming compared to similar students in the rest of the country. Following a significant reform process, Catholic schools significantly lifted performance, while public schools continued to underperform.</p> <ul style="list-style-type: none"> • Reading: in 2019, 42% of Catholic schools and 54% of Government schools were underperforming. By 2022, only 4% of Catholic schools underperformed compared to 60% of Government schools • Writing: in 2019, 71% of Catholic schools and 75% of Government schools underperformed. By 2022, only 13% of Catholic schools underperformed compared to 72% of Government schools • Spelling: in 2019, 71% of Catholic schools and 76% of Government schools underperformed. By 2022, only 21% of Catholic schools underperformed compared to 58% of Government schools. <p>Costs for one-off resources are estimated in year 1, with training for new teachers entering the system in the subsequent years. Costs could be reduced by accessing free curriculum materials, however, printing, and professional development for educators would still be required for use of these materials.</p>	2.4	0.1	0.1	0.1	2.6

DECODABLE READERS FOR STUDENTS	24-25 (\$m)	25-26 (\$m)	26-27 (\$m)	28-29 (\$m)	Total
<p data-bbox="190 336 1525 405">Recommendation 2: Funding of \$0.5 million in 2024-25 for a one-off procurement purchase of decodable readers for students in K-1.</p> <p data-bbox="190 427 1525 724">To properly implement the updated Australian Curriculum, the ACT Government must purchase decodable readers for Kindergarten and Year 1 classes. Currently, many schools in the ACT rely on use of predictable readers which repeat common phrases, such as “Where is the cat? Where is the boy? Where is the bed?” to help children memorise words and use pictures to help children identify unfamiliar words. These cueing strategies (known as the three-cueing strategy) are not as effective for students as explicitly teaching the core skills for reading. The updated Curriculum requires schools to acquire decodable readers, which are books that only use the letter-sound combinations students have already learned in class.</p> <p data-bbox="190 746 1525 1011">Other jurisdictions such as New South Wales have invested significant funds to support schools in purchasing decodable texts. The new readers were chosen through a centralised procurement process undertaken by the NSW Government to negotiate the lowest price. At the time, the then Education Minister stated “this \$4.3 million investment is one of the largest deployments of new reading material to classrooms in the state’s history... These high-quality readers will enrich our curriculum and ensure Government schools have the appropriate resources to support our youngest students to develop strong phonic knowledge and apply this as they begin to learn to read”.</p> <p data-bbox="190 1034 1525 1070">This investment aligns with recommendations made by the Grattan Institute and Equity Economics.</p>	0.5				0.5

PROFESSIONAL DEVELOPMENT AND COACHING FOR TEACHERS IN LITERACY ACQUISITION SKILLS	24-25 (\$m)	25-26 (\$m)	26-27 (\$m)	28-29 (\$m)	Total
<p>Recommendation 3: Funding of \$7.1 million over four years for professional development and coaches in high impact teaching for literacy acquisition for K-2 teachers and principals.</p> <p>Investing in teacher knowledge is critical as teachers are the most important in-school factor driving student achievement. There should be an investment in professional development for teachers covering both what to teach and how to teach to maximise learning.</p> <p><u>What to teach:</u> An extensive body of research on reading instruction has concluded that there are five essential skills for reading and that a high-quality literacy program should include all five components. These components are inter-related — the development of each is dependent on the others — but an emphasis on phonics in the early years is necessary to build foundational word reading skills.</p> <p><u>How to teach:</u> Explicit teaching involves a teacher-led approach where the instructor explains and models the instruction before students independently apply the concepts. The Australian Education Research Organisation (AERO) conducted a review of over 328 studies and found explicit instruction positively impacts student achievement in mathematics, reading, spelling, problem-solving and science for primary and secondary students, including for those with additional learning needs.</p> <p>There is limited public data available on the teaching practices used in ACT classrooms, but it is likely that there is insufficient focus on the core skills for reading, with varying use of explicit instruction for teaching core literacy and numeracy skills.</p> <p>Funding for coaches is based on investment by the South Australian Government. Six years ago, the South Australian Government made a literacy guarantee to parents that their children would learn to read. A core part of this commitment involved deploying a team of literacy coaches to provide intensive support to teachers, focusing on teachers with students in K-2. The number of coaches has increased since 2018 in response to the increased capacity and interest of the system to engage with coaches. The Government of NSW and the Catholic system in Canberra/Goulburn have also invested in coaches.</p> <p>Consideration should also be given to supporting teachers to access micro-credentials as recommended by the NSRA Expert Panel and Grattan Institute. Costs may be able to be reallocated from existing professional development budgets.</p>	1.7	1.7	1.8	1.8	7.1

YEAR 1 PHONICS CHECK	24-25 (\$m)	25-26 (\$m)	26-27 (\$m)	28-29 (\$m)	Total
<p>Recommendation 4: \$2.5 million over four years for the Year 1 Phonics Check.</p> <p>The NSRA Expert Panel has recommended that all governments, school systems and approved authorities institute the Year 1 Phonics Check across all schools by the end of 2026. The Year 1 Phonics Check is a short check that a teacher can use to confirm all children have learned phonic (letter-sound) decoding to an age-appropriate standard. It takes 5-7 minutes to administer per child. South Australia was the first Australian jurisdiction to roll out the Year 1 Phonics Check in 2018 on a universal basis. In 2021, New South Wales also mandated the use of the Check. Tasmania, Queensland, Victoria, and Western Australia have also announced support for phonics screening.</p> <p>The Phonics Screening Check has been mandated for Year 1 students in South Australian Government schools since 2018. Approximately 1,400 Year 1 teachers implement the check with approximately 13,000 Year 1 students each year. The check also includes a range of professional learning which has been adapted as the level of expertise in South Australia grows.</p> <p>When the check was first introduced (2018-2020) schools received funding for a three-day release for all teachers of Year 1 students to provide one day for professional learning, one day for implementing the check and one day to analyse and respond to the results. As the knowledge of South Australian teachers has grown and the teaching of quality systematic synthetic phonics has become normal classroom practice, this release time has been reduced to one day. In 2022, all teachers new to Year 1 received one-day teacher release time to attend professional learning on phonics and how to implement the check. Reception (Kindergarten) teachers also received an additional day to attend professional learning on the foundations of reading. While Reception teachers do not implement the check, it is important that they have the same understanding about the teaching of reading as Year 1 teachers.</p> <p>The 2022 South Australian Phonics Check results show state-wide improvement in the ability of students to decode and blend letters into words. In 2018, only 43 per cent of all students in South Australia met the expected achievement level for the check. Four years later 68 per cent met the benchmark. This is a remarkable improvement of 25 percentage points.</p> <p>Costs are estimated based on the South Australian Government investment of over \$15 million in the eight-year period from 2018-19 to 2025-26. This investment aligns with recommendations made by the NSRA Expert Panel, the Grattan Institute and Equity Economics.</p>	0.9	0.7	0.5	0.4	2.5

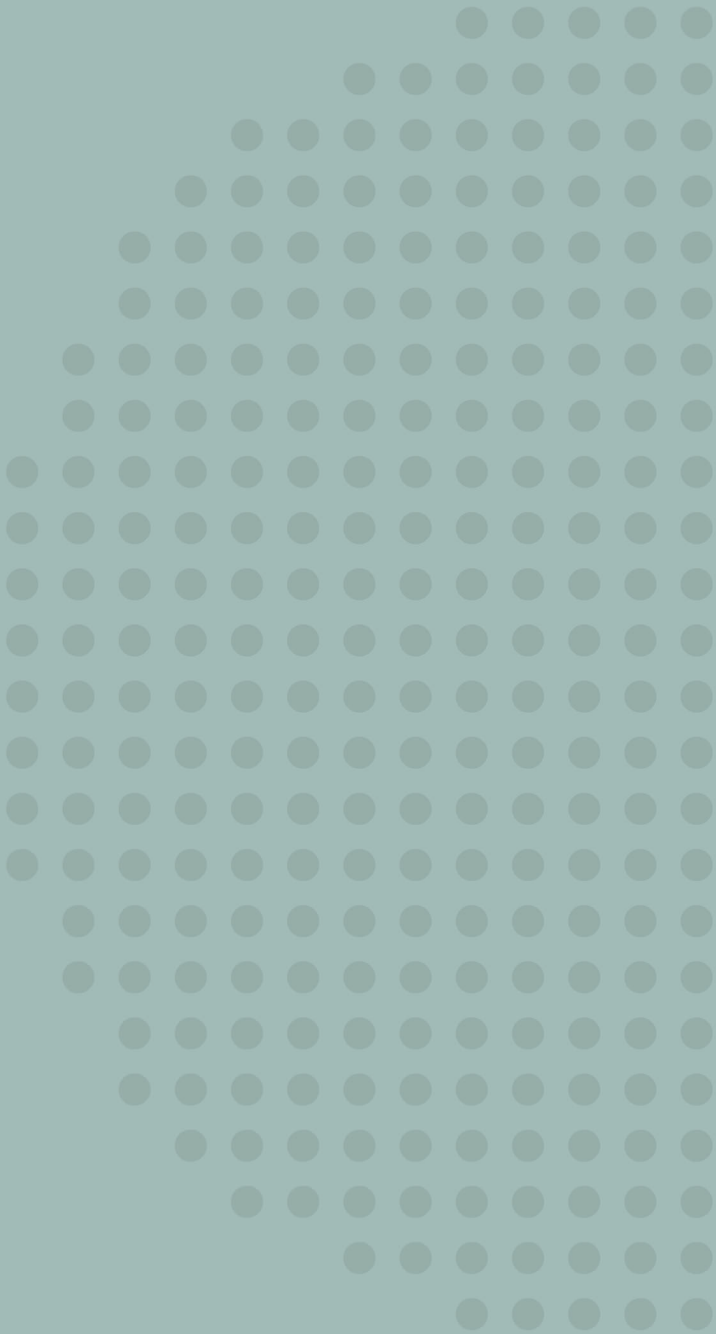
NUMERACY CHECK PILOT	24-25 (\$m)	25-26 (\$m)	26-27 (\$m)	28-29 (\$m)	Total
<p>Recommendation 5: Funding of \$2.5 million to pilot and roll-out a numeracy check</p> <p>The Expert Panel on the NSRA has recommended that governments, school systems, and approved authorities should work together to devise a Year 1 numeracy check for assessing early mathematics skill development. The panel suggested that the check should be agreed and implemented by the end of 2028.</p> <p>The ACT has an opportunity to be a leader in this space by undertaking a pilot of a numeracy check, which could be rolled out nationally.</p> <p>The 'Year 1 Number Check' on the Australian Government's Mathematics Hub could provide a basis for such a check. The Expert Panel has recommended that this assessment, which is backed by Australian Government funding, should be evaluated for its validity, reliability, and suitability as a systemic assessment tool.</p> <p>Consideration could also be given to the Multiplication Tables Check which is in national use in England. The check is statutory for all year 4 pupils registered at government funded schools. The purpose of the check is to determine whether pupils can recall their times tables fluently, which is essential for future success in mathematics. It helps schools to identify pupils who have not yet mastered their times tables, so that additional support can be provided.</p> <p>Funding is estimated based on the Year 1 Phonics Check.</p>	0.4	0.9	0.7	0.5	2.5

SCREENING AND PROGRESS MONITORING	24-25 (\$m)	25-26 (\$m)	26-27 (\$m)	28-29 (\$m)	Total
<p>Recommendation 6: \$28.5 million over four years for screening and progress monitoring of all students from preschool to year 12.</p> <p>The MTSS system requires a data driven approach with academic, wellbeing and behavioural screening of all students commencing from the foundation years. Schools utilise screening data to identify at-risk students and to improve whole-class instruction, with progress monitoring to confirm students’ risk status. This process also helps identify schools that may require additional support due to a high number of struggling students.</p> <p>The ACT does not currently have a standardised and evidence-based approach to screening students. School principals have the discretion to select and administer assessments to their students. Common assessments in use across Australia include NAPLAN, PAT and teacher judgement. NAPLAN is often used as an initial indicator, rather than a means to determine eligibility for support.</p> <p>The Auditor-General has suggested the ACT’s model of public education, which grants considerable autonomy and responsibility to schools, has led to significant variability in the use of student performance information, which is excessive for a small jurisdiction like the ACT. The Auditor-General concluded that there was a need for a better balance between school autonomy and consistency across schools in how performance information was analysed and used.</p> <p>Research in screening is rapidly developing. The focus to date has been on academic screening in the early and middle years of schooling, with researchers increasingly looking to application in early childhood settings, as well as for older struggling students. While academic screening is more robust for primary school and middle school application, wellbeing and behavioural screeners should continue through to Year 12. The need for universal academic screening will likely diminish once a cohort of children has benefitted from high quality Tier 1 instruction for the whole class. At this point universal academic screening should be retained for K-2 children and students transitioning to high school and college (with costs decreasing accordingly). Progress monitoring should always be in place to monitor the effectiveness of intervention programs.</p> <p>The ACT Education Directorate has recently announced a new student-centred improvement framework. It is not clear the extent to which this framework will support stakeholders to review data. Best practice would see each school establish a dedicated data team, with information shared with teachers and parents to assist teachers in adjusting their teaching in response to data, and to maintain accountability for student progress.</p> <p>A lower cost option would be K-2 screening and on transition points.</p>	10.2	7.8	6.0	4.6	28.5





SMALL GROUP TUTORING	24-25 (\$m)	25-26 (\$m)	26-27 (\$m)	28-29 (\$m)	Total
<p>Recommendation 7: \$40.6 million over four years for literacy and numeracy small group tutoring for K-10 students</p> <p>Many students who struggle with literacy and numeracy are not being properly identified and given catch-up support. Small group tuition involves a teacher, trained teaching assistant, or tutor working with a small group of students, either during or after school hours. This approach allows for more tailored teaching to meet the specific needs of students, providing them with additional focused attention, increased interaction, and valuable feedback opportunities.</p> <p>Two high-performing nations, Finland, and Singapore have successfully implemented tutoring programs. In Finland, specialist teachers, who have received additional training in working with struggling students, are assigned to each school. These teachers collaborate closely with classroom teachers to identify students in need of extra support. Multi-professional care groups convene regularly to discuss individual student progress.</p> <p>In Australia, the Grattan Institute has recommended embedding high-quality catch-up learning support in every school. The Evidence for Learning 'teaching and learning toolkit' presents a meta-analysis of studies on small-group tuition, highlighting evidence that it improves reading outcomes by up to 4 months and mathematics outcomes by up to 3 months. The toolkit also emphasises that low-achieving students particularly benefit from small group tuition.</p> <p>Investment is based on modelling undertaken by the Grattan Institute.</p> <p>Some ACT public schools have already made some investment in small group tutoring, which would reduce overall costs.</p>	9.8	10.0	10.2	10.4	40.6

LEADERSHIP	24-25 (\$m)	25-26 (\$m)	26-27 (\$m)	28-29 (\$m)	Total
<p>Recommendation 8: \$6.4 million over four years for a Change Management Office in the Education Directorate</p> <p>Implementing a reform package of this nature and scale will require the recruitment of a dedicated team within the Education Directorate with experience in change management, stakeholder management, policy development and program management, with monitoring and evaluation.</p> <p>Equity Economics estimates that around 10 FTE staff will need to be recruited to manage and oversight this reform process.</p> <p>Leading change management across ACT schools will require effective leadership that builds a durable coalition for change, setting clear priorities, and engaging all stakeholders authentically and meaningfully.</p> <p>First and foremost, the ACT Education Directorate will need to work with principals and teachers to establish a shared vision and clear theory of change with a set of priorities based on evidence-based practices, ensuring coherence and sustained focus.</p> <p>Reform efforts will require the cultivation of leadership beyond a single individual, fostering a deep breadth of talent across schools and the Education Directorate.</p> <p>Finally, successful change management requires creating delivery capacity to scale, which involves coordinated action, concrete implementation plans, and dedicated resources. This involves establishing clear roles and responsibilities, building implementation structures, and fostering implementation skills at every level of the Education Directorate, and across schools.</p>	1.6	1.6	1.6	1.7	6.4

COMMUNITY OUTREACH	24-25 (\$m)	25-26 (\$m)	26-27 (\$m)	28-29 (\$m)	Total
<p>Recommendation 9: \$1.1 million over four years to support children and adults with specific learning difficulties</p> <p>Unlike other jurisdictions, the ACT does not have an independent organisation which offers support, assistance and advice to children and adults with specific learning difficulties, their families, tutors, teachers, and schools.</p> <p>A new not-for-profit independent organisation needs to be established to provide a free referral and advice infoline for families of students with learning difficulties and adults with learning difficulties.</p> <p>This organisation could also provide workshops and resources for families and training and professional learning to teachers and other professionals.</p> <p>There may be an opportunity to collaborate with a sister organisation in NSW to achieve efficiencies.</p>	0.3	0.3	0.3	0.3	1.1



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